

No. 9, ORIGINAL

APR 26 1966

JOHN F. DAVIS, CLERK

**In the
Supreme Court of the United States**

OCTOBER TERM, 1965

UNITED STATES OF AMERICA,

Plaintiff,

v.

STATE OF LOUISIANA, ET AL,

Defendant.

**OBJECTIONS BY THE STATE OF LOUISIANA TO
THE ACCOUNTING FILED BY THE UNITED
STATES OF AMERICA PURSUANT TO
SUPPLEMENTAL DECREE NO. 1,
DATED DECEMBER 13, 1965**

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JOHN L. MADDEN,
Assistant Attorney General,
State of Louisiana.

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The State of Louisiana through the Attorney General of Louisiana and other undersigned Counsel, pursuant to Paragraph 8 of Supplemental Decree No. 1 rendered December 13, 1965, makes the following objections to the accounting filed by the United States of America:

1.

Since the accountings were filed herein on or about February 25, 1966 by the United States and the State of Louisiana, both have discovered errors of no great significance and each has informed the other that subject to the approval of this honorable Court amended accountings will be filed which do not alter the principles involved. Louisiana does not object to

the filing of such amended accounting by the United States and simultaneously herewith is itself filing a motion for leave to file its own amended accounting.

2.

Part II of the Government's account on pages 9 and 11 show the following pipe line rentals received by the United States of America respecting areas described in Paragraph 3 of the Decree as due to Louisiana:

Lease No. 642	\$ 749.61
Lease No. 650	400.00
Lease No. 1347	108.50
Lease No. 1380	9.84
TOTAL	<u>\$1,267.95</u>

Louisiana has explained in Paragraph 6, page 5 of its accounting that it has received a larger sum, to wit \$50,955.60, for rights of way which is not governed by the Interim Agreement of October 12, 1956 nor by the Decree. The United States of America has collected from the same parties for the same pipe line rights of way and what may be due by the United States of America to those from whom it collected, and what may be due by Louisiana to those from whom it collected payments for rights of way for pipe lines depends upon the agreements between the parties, is not appropriate to an accounting between the United States of America and Louisiana and is not required by the Decree.

Louisiana objects to the inclusion of this sum of

\$1267.95 as due to the State of Louisiana on the ground that neither government owes the other for the reason that the grantees who bought these rights of way have already paid both governments and did so knowingly and of their own volition, not expecting reimbursement therefor. Louisiana understands that the United States does not propose to pay any sums to grantees of pipe line rights of way. Except where agreements for reimbursement have been made in the right of way permits, Louisiana similarly is not obligated to and does not propose to pay grantees of pipe line rights of way and the United States is not entitled to double payment for the identical rights of way. Louisiana is obligated by agreements entered into under La. R.S. 41:1174 (La. Act 29 of 1964) to make refunds in the amount of \$3,472.69 for rights of way covered by agreements entered into pursuant to that statute and proposes to make payments accordingly.

3.

By virtue of the Supplemental Decree of December 13, 1965, Zone 1, as described in the Interim Agreement of October 12, 1956, has been augmented by areas conceded to belong to Louisiana under Paragraph 3 of the Decree. The Decree does not specify areas landward of these areas and the United States has not accounted to Louisiana or to the oil company lessees for rentals and royalties received between June 5, 1950 and the enactment of the Submerged Lands Act, Approved May 22, 1953, from areas landward of the prior Zone II area previously in dispute and now

acknowledged to be part of Louisiana's territory. Louisiana has ascertained that the amount to which Louisiana is due on account of payments made with respect to leases attributable to said areas is \$2,085,-190.08 and additional sums are owing to the lessees. The sum owing to Louisiana is shown in further detail in Exhibit 1, annexed hereto.

The areas landward of the prior Zone II area previously in dispute here referred to are not described in Paragraph 3 of the Supplemental Decree of December 13, 1965 because since the Interim Agreement of October 12, 1956 the landward areas referred to have been recognized as being a part of Louisiana. Paragraph 4 of the Supplemental Decree makes it plain that, as the United States is not entitled, as against the State of Louisiana to any interest in the lands, minerals and other natural resources described in Paragraph 3, the United States cannot be entitled as against the State of Louisiana to retain any funds derived from the areas even further landward of those described in Paragraph 3. Louisiana asserts that the funds referred to are owing to it and to the lessees in such areas under Section 3 of the Submerged Lands Act and by implication from Paragraph 4 of Supplemental Decree No. 1.

While the funds referred to are not covered specifically by the Decree and may, therefore, be considered as not accountable under the literal terms of the Decree, such funds must ultimately be paid to Louisiana and to the lessees entitled thereto. Such funds should, in fact, have been paid when the Sub-

merged Lands Act was passed and if the United States does not now remit to Louisiana therefor, Louisiana respectfully reserves the right to seek payment through application for a further supplemental decree or otherwise.

Respectfully submitted,

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Special Assistants,
Attorney General,
State of Louisiana.

JOHN L. MADDEN,
Assistant Attorney General,
State of Louisiana.

PROOF OF SERVICE

The undersigned, being one of the attorneys for the State of Louisiana, defendant herein, certifies that copies of the foregoing objections have been properly served on the_____day of April, 1966, by leaving copies thereof at the offices of the Attorney General and of the Solicitor General of the United States, respectively, in the Department of Justice Building, Washington, D. C.

EXHIBIT No. 1

ITEMS DUE FROM THE UNITED STATES TO THE STATE OF LOUISIANA AS REFERRED TO IN PARAGRAPH 3 HEREOF: SUMS RECEIVED FROM LANDS LANDWARD OF THE ZONE II AREA PREVIOUSLY IN DISPUTE AND AWARDED TO THE STATE BY THE U. S. SUPREME COURT SUPPLEMENTAL DECREE RENDERED DECEMBER 13, 1965

Lease Number		Location		Period Covered	Percent	Applicable To	
State	OCS	Area	Block			State of Louisiana	Payments Subsequent to Bonus
1277	371	Main Pass	68	12/11/50 to 3/31/53	100		\$1,014,037.99
1278	372	Main Pass	69	12/11/50 to 3/31/53	100		148,753.61
1353	...	Main Pass	67	1/ 9/51 to 1/ 9/54	100		39,750.00 ¹
1355	...	Main Pass	80	12/11/50 to 3/31/53	100		187,786.65
1357	...	Main Pass	81	1/ 9/51 to 1/ 9/54	100		127,200.00 ¹
1359	...	Main Pass	82	1/ 9/51 to 1/ 9/54	100		15,000.00 ¹
988	...	South Pass	1	12/11/50 to 3/31/53	100		50,467.83
998	...	South Pass	11	12/11/50 to 3/31/53	100		262,443.63
1008	350	South Pass	24	12/11/50 to 3/31/53	100		216,875.37
1344	...	Breton Sound	50	1/ 9/51 to 1/ 9/54	100		22,875.00 ¹
							<u>\$2,085,190.08</u>

¹The amounts as noted represent so-called delay rentals. All other sums shown represent royalty.

